

The complaint

Mr B complains Revolut Ltd won't reimburse over £8,000 that he lost when he fell victim to a cryptocurrency investment scam.

What happened

The detailed background to this complaint is well known to both parties and has been previously set out by the investigator in their assessment. So, I'll only provide a brief summary and focus on giving the reasons for my decision.

The complaint concerns two debit card transactions totalling over £8,000 which Mr B made from his Revolut account in October 2023. They were made in connection with an investment opportunity which subsequently turned out to be a scam.

To deposit funds towards the investment opportunity, money was sent from Mr B's Revolut account to a cryptocurrency provider for conversion into cryptocurrency. Once converted, the cryptocurrency was sent on to cryptocurrency wallets in control of scammers (albeit Mr B didn't know this at the time).

Our investigator upheld Mr B's complaint. This was on the grounds that Revolut failed to intervene when it ought to have identified Mr B was at risk of financial harm. He was satisfied an appropriate intervention and warning would've prevented Mr B's losses. Though he did consider that liability for the loss ought to be shared equally.

Revolut disagreed requesting the case be considered by an ombudsman.

Revolut's submissions

- It has no dispute rights under chargeback
- 3DS security was completed before making the card payments
- Payments to a customer's own account don't meet the definition of an APP scam. It shouldn't be responsible for its customer's loss where it is only an intermediate link in a chain of transactions
- there was a lack of due diligence from Mr B and they consider he was grossly negligent
- The role of other financial businesses (including any interventions or warnings they might have provided) needs to be considered
- The Financial Ombudsman should inform the complainant that it might be appropriate to make a complaint against another respondent.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

In broad terms, the starting position at law is that an Electronic Money Institution (“EMI”) such as Revolut is expected to process payments and withdrawals that a customer authorises it to make, in accordance with the Payment Services Regulations (in this case the 2017 regulations) and the terms and conditions of the customer’s account.

But, taking into account relevant law, regulators’ rules and guidance, relevant codes of practice and what I consider to have been good industry practice at the time, I consider it fair and reasonable that Revolut should:

- have been monitoring accounts and any payments made or received to counter various risks, including preventing fraud and scams;
- have had systems in place to look out for unusual transactions or other signs that might indicate that its customers were at risk of fraud. This is particularly so given the increase in sophisticated fraud and scams in recent years, which firms are generally more familiar with than the average customer;
- have acted to avoid causing foreseeable harm to customers, for example by maintaining adequate systems to detect and prevent scams and by ensuring all aspects of its products, including the contractual terms, enabled it to do so;
- in some circumstances, irrespective of the payment channel used, have taken additional steps, or made additional checks, or provided additional warnings, before processing a payment;
- have been mindful of – among other things – common scam scenarios, how fraudulent practices are evolving (including for example the common use of multi-stage fraud by scammers, including the use of payments to cryptocurrency accounts as a step to defraud consumers) and the different risks these can present to consumers, when deciding whether to intervene.

Should Revolut have recognised that consumer was at risk of financial harm from fraud?

The very first disputed transaction as a result of the scam was for £8,645.35 knowingly going to a cryptocurrency provider. I’ve also considered that Mr B’s account with Revolut was well established. Mr B’s account history shows his activity to have typically been limited to very low value transactions made by debit card. Mr B’s highest balance held on the account since it was opened in 2015 was around £1,000 but the typical balance was often much lower than this.

Mr B’s account also showed no activity in the previous month. There was also very limited activity altogether in the previous two-month period, given these factors I’m satisfied this ought to have prompted warnings from Revolut. But seemingly Revolut didn’t provide any.

What kind of warning should Revolut have provided?

I’ve thought carefully about what a proportionate warning in light of the risk presented would be in these circumstances. In doing so, I’m in agreeance with our investigator. Revolut should also have been mindful that cryptocurrency scams have become increasingly varied and complex in more recent years. And fraudsters have often turned to cryptocurrency as their preferred method of receiving victim’s money across a range of different scam types, including investment scams.

Taking that into account, I’m satisfied that by October 2023, Revolut ought to have attempted to narrow down the potential risk further – for example by asking a series of automated questions designed to narrow down the type of cryptocurrency related scam risk associated with the payment he was making. And following this, provided a scam warning tailored to the likely cryptocurrency related scam Mr B was at risk from.

In this case, Mr B was falling victim to an 'investment scam'. As such, I'd expect any such warning to have covered off key features of a cryptocurrency investment scam, such as: how he was introduced to the investment, was there a broker or third-party involvement, what were the promised returns and what due diligence could be carried out. I acknowledge that any such warning relies on the customer answering questions honestly and openly, but I've seen nothing to indicate that Mr B wouldn't have done so here.

If Revolut had provided a warning of the type described, would that have prevented the losses Mr B suffered from the first payment?

I've thought carefully about whether a specific warning covering off the key features of cryptocurrency investment scams would have likely prevented any further loss in this case. And on the balance of probabilities, I think it would have. There were a number of factors and key hallmarks to the scam that were common of cryptocurrency investment scams. These included Mr B being contacted out of the blue and being assisted by a third party.

Although Mr B has explained he's unable to provide the chat history with the scammer, I have seen his interactions with who he thought was the customer service support for the investment platform. I've also seen evidence of the actions Mr B took to contact the genuine platform – only to find that he had been scammed.

I've not seen evidence to persuade me that Mr B wouldn't have heeded a warning presented by Revolut. I am persuaded however that an impactful warning that gave details about cryptocurrency investment scams and how Mr B could protect himself from the risk of fraud, including what due diligence he could carry out, would have resonated with him. He could have paused and looked more closely into the company. And as our investigator has pointed out, there were warnings and articles available in the public domain. I'm persuaded that a timely warning to Mr B from Revolut would very likely have prevented his losses.

Is it fair and reasonable for Revolut to be held responsible for Miss P's loss?

I have taken into account that Mr B remained in control of his money after making the payments from Revolut. It wasn't lost until they took further steps. But Revolut should still have recognised that Mr B was at risk of financial harm from fraud, made further enquiries from the first payment and ultimately prevented his loss from that point. I think Revolut can fairly be held responsible for Mr B's loss in such circumstances.

I have considered all of the facts of the case, including the role of other financial institutions involved. The payments lost to the scam from Revolut were funded by credits received from Mr B's account with Barclays. Mr B suffered other losses from his Barclays account which has been the subject of a separate complaint at this service. But I can also confirm that Mr B's complaint brought against Barclays does not include the transfer of funds from his Barclays to Revolut account. So, I'm satisfied double recovery isn't a concern here. And for the reasons I've set out above, I consider that Revolut should have prevented the loss.

Should Mr B bear any responsibility for their losses?

In considering this point, I've taken into account what the law says about contributory negligence as well as what's fair and reasonable in the circumstances of this complaint.

Our investigator considered that liability ought to be shared equally for Mr B's losses and I'm in agreement with this.

I don't seek to address this point in the same detail as our investigator as Mr B also accepts liability should be shared equally. That said, Mr B's professional representatives explained the reason why he considered the scam to be genuine was because he was required to submit a copy of his ID which added to this belief. I set out above that a warning from Revolut ought to have resonated with Mr B and he could have paused and looked more closely into the company. And as explained there were warnings and articles in the public domain about the company at the time. But I can't ignore there was a published warning about the company prior to the first payment made by Mr B, on the Financial Conduct Authority's website noting the company may be promoting financial services or products without permission. It also warned '*you should avoid dealing with this firm*'. This could have been uncovered by Mr B from some basic online searches about the company.

So I think Mr B has contributed to his own losses. I've therefore concluded, on balance, that Revolut can fairly reduce the amount it pays to Mr B by because of his role in what happened. Weighing the fault that I've found on both sides, I think a fair deduction is 50%.

Putting things right

To resolve this complaint Revolut Ltd should:

- refund Mr B's losses to the scam
- less 50% contributory negligence
- plus 8% per annum simple interest from the date of the payments to the date of settlement.

If Revolut Ltd is legally required to deduct tax from the interest awards, it should tell Mr B how much it has taken off. It should also give Mr B a tax deduction certificate if he asks for one, so he can claim it back from HMRC if appropriate.

My final decision

For the reasons given, my final decision is that I uphold this complaint. I require Revolut Ltd to put things right for Mr B as set out above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 20 August 2025.

Mark O'Connor
Ombudsman